

Michigan Department of Civil Service

REGULATION

Appointing Authority Letter Reference:	Effective Date: August 20, 2000	Index Reference:	Regulation Number: 5.05
Issuing Bureau: Human Resource Services	Rule Reference: Chapter 5 <u>Civil Service Commission Rule 5-8</u>		Replaces: Compensation Procedure 5
Subject: LONGEVITY COMPENSATION			

1. PURPOSE

A. This regulation establishes the standards and procedures for longevity payment for non-exclusively represented employees.

2. CIVIL SERVICE COMMISSION RULE REFERENCE

A. Rule 5-8 Longevity Payment

An employee who completes the equivalent of 6 years of full-time currently continuous employment is eligible for an annual longevity payment in the amount provided below:

<u>Years of Full-time Service Completed</u>	<u>Annual Longevity Payment</u>
<u>6 – 9</u>	<u>\$260</u>
<u>10 – 13</u>	<u>\$300</u>
<u>14 – 17</u>	<u>\$370</u>
<u>18 – 21</u>	<u>\$480</u>
<u>22 – 25</u>	<u>\$610</u>
<u>26 – 29</u>	<u>\$790</u>
<u>30 & over</u>	<u>\$1,040</u>

An employee with a break in continuous service but more than 6 years total employment is eligible for a longevity payment based on total years of service after completing the equivalent of 5 years of full-time currently continuous employment. The longevity payment is paid as provided in the regulations.

3. STANDARDS

A. General Eligibility — ~~Each~~A career employee ~~shall~~is eligible to receive longevity payment, as provided in the schedule, following completion of ~~an aggregate of~~ six years (12,480 hours) of continuous full-time classified service and continuing for each year thereafter.

1. A career employee ~~is~~ eligible ~~for special to receive~~ credit for longevity for service in a non-elective excepted or exempted position in a principal department, the legislature or the supreme court, ~~under Compensation and Fringe Benefits Rule 5-5.3(d), shall receive credit for that service time immediately upon entering that immediately precedes entry or return to the classified service. Proper documentation of such service shall be retained in the employee's personnel file.~~

2. A career employee is eligible ~~for special to receive~~ credit for longevity for up to five years of honorable service in the armed forces of the United States ~~under Compensation and Fringe Benefits Rule 5-4.3d shall receive such credit. This credit is received immediately upon entering entry into the Cclassified Sservice~~ under the following conditions:

a. ~~A N~~new employees ~~shall~~is to be advised by the appointing authority of the military service benefit upon hire.

b. ~~Once notified, it becomes~~It is the employee's responsibility to submit the required documentation within ~~the 720-hour qualifying period for grant of 90 days to receive~~ additional service credit retroactive to date of hire.

c. If the employee fails to submit the required documentation within ~~the 720-hour qualifying period~~90 days, credit will not be given retroactive to date of hire, but will be credited the first day of the pay period in which the documents are received by the appointing authority.

d. The following criteria ~~shall be~~are applied in determining eligibility for military service credit ~~and entering the appropriate transactions in the Payroll Personnel System:~~

(1) Only active service for which the veteran has received an honorable discharge or other certified evidence of honorable active service ~~shall be~~is creditable. Any of the following documents serve to provide such evidence:

(a) Certificate of Honorable Discharge

- (b) Certified copy of Honorable Discharge
- (c) Photo~~stat~~ copy of Honorable Discharge
- (d) Certificate of Honorable Active Military Service
- (e) Certificate of Service
- (f) Photo~~stat~~ copy of Certificate of Service
- (g) Report of Separation
- (h) General Discharge Certificate

~~(2) Only active military service in the armed forces of the United States subsequent to January 1, 1938, shall be considered.~~

~~(3)~~(2) Active military service is considered active duty in any branch of the armed forces under conditions ~~such that~~for which a regular military leave of absence would have been granted ~~(under Civil Service Rule 2-5.3)~~ had the veteran been a classified employee at the time the military tour of duty began.

~~(4)~~(3) Military service need not ~~be~~ immediately ~~prior to~~precede state employment.

~~(5)~~(4) Military duty in a reserve component does not qualify for credit. However, ~~the~~ active duty time served for basic training while in a reserve component is creditable.

~~(6)~~(5) Military service resulting from more than one tour of active duty may be combined, but shall not exceed the maximum of five years ~~allowable~~creditable service.

~~(7)~~(6) Career classified employees ~~(Civil Service Rule 2-16.2) regardless of their work schedule,~~ are entitled to full credit for their active military service regardless of their work schedule.

~~(8)~~(7) Noncareer classified employees ~~(Civil Service Rule 2-16.3)~~ are not entitled to military service credit.

- e. The following conversion table ~~shall~~is to be used to adjust active military service time to continuous state service hours:

1 year	=	2080 hours
1 month	=	174 hours
1 day	=	5.8 hours

~~Note: When figuring military service time, care should be taken to include the last day of service. In most cases this requires adding one day to the date of discharge.~~

3. Military Service credit, ~~as provided under Civil Service Rule 5-5.3(d), shall be~~ is credited as currently continuous service.
 - a. An employee separating and returning ~~shall~~will have previously credited military service placed in the employee's prior service counter, if the total current service counter, including the military time, exceeded five years (10,400 hours) ~~(5 years)~~.
 - b. ~~An employee separating and returning shall have~~ an employee separates and returns, previously credited military service is retained in the current hours service counter if the total current service hours was less than five years (10,400 hours) ~~(5 years)~~. Only state service credit shall be moved to the prior service counter. Military hours retained in current service hours should be entered to military hours.
4. ~~For the purpose of~~In determining both initial and subsequent eligibility, persons employed ~~in regularly established permanent positions having a duration of~~for 21 or more bi-weekly pay periods but less than a full year, 21 or as many more pay periods as constitute a full regularly recurring work year ~~shall~~will be credited as a full year.
5. ~~An E~~Employees granted a leaves of absence with pay will have ~~such~~the leave time credited for longevity compensation purposes.
 - a. An employee ~~who is~~ receiving workers' compensation will receive service credit in accordance with ~~Procedure 14~~Regulation 5.13, Disability Payment for Duty Incurred Injury ~~(Page D-94)~~.
 - b. An employee on a paid leave of absence as the result of an assault ~~shall~~will receive service credit for ~~such absence~~the leave in accordance with ~~Procedure 14~~Regulation 5.13, Disability Payment for Duty Incurred Injury ~~(Page D-94)~~.
6. An employee granted a leave of absence without pay ~~shall~~will not have a break in service for the purpose of ~~this section but shall~~eligibility for longevity but will not receive service credit for the time of the leave of absence.

~~B. Anniversary Date Longevity~~

~~1. Eligibility~~

- ~~a. Career employees who separate from state service and return and complete six years (12,480 hours) of full-time continuous service shall have placed to their credit all prior state classified service earned.~~
- ~~b. Career employees shall be eligible for an annual payment whenever they complete an additional 2,080 hours. There will be no partial or pro-rata payments except at retirement or death.~~
- ~~c. Career employees rendering seasonal, intermittent, or other part-time classified service shall be entitled to subsequent annual payments in accordance with 2 above.~~

~~2. Payments — Payment shall be made in accordance with the table of longevity values based on length of service and the longevity pay grade assigned the employee's class (see Section C).~~

- ~~a. No active employee shall receive more than the amount scheduled for one annual longevity payment during any twelve month period, except in the event of retirement, death, or for the first annual payment when an employee has prior service credited or converts from the October 1st system.~~
- ~~b. All payments, except in the cases of retirement or death, shall be full payments (no proration).~~
- ~~c. Initial Payment — Employees qualify for their initial payment by completing an aggregate of six years (12,480 hours) of continuous service.~~
- ~~d. Annual Payments — Employees qualify for annual payment by completing 2,080 hours of continuous service subsequent to their previous payment.~~

~~Note: Because of prior service credits, the first annual payment after the initial payment, may be due in less than 2,080 hours (see Paragraph 8).~~

- ~~e. Payments to employees who become eligible shall be made in conjunction with the regular pay vouchers in the following pay period.~~

~~f. Lost Time Considerations~~

~~(1) Lost time is not creditable continuous service nor does it count in qualifying for an initial or an annual payment.~~

~~(2) Employees do not earn state service credit in excess of 80 hours in a bi-weekly pay period. Paid overtime does not offset lost time, except where both occur in the same pay period.~~

~~g. Employees on Leave of Absence Without Pay and Layoff -- Time is not creditable continuous service nor does it count for initial or annual payments.~~

~~h. Initial Payment — The following computation shall be made when an employee completes six years (12,480 hours) of currently continuous service.~~

~~(1) Add the prior service hours, if any, to the currently continuous hours.~~

~~(2) Divide the total by 2080.~~

~~(3) Pay longevity based upon the number of years of service.~~

~~(4) Add any hours in excess of whole years to the longevity counter. (The next payment may be due in less than one year.)~~

~~i. Payment on conversion from October 1st system — The following computation shall be made when an employee is converted from the October 1st system to the anniversary date system.~~

~~(1) If the number of currently continuous service hours is less than 12,480, no further action is required. Employee becomes eligible for initial payment upon completion of 12,480 hours.~~

~~(2) If the number of currently continuous service hours is more than 12,480:~~

~~(a) Subtract the number of hours in the longevity counter from the currently continuous service hours.~~

~~Note: Do not zero out the longevity hours counter, the hours contained in the counter will need to be adjusted by the amount determined in 4.~~

~~(b) Add adjusted currently continuous service hours to the prior service hours.~~

~~(c) Divide the number of total service hours by 2080.~~

~~(d) Multiply the number of years by 2080 and subtract the result from the total number of hours which shall provide the number of excess hours.~~

~~(e) Add the excess hours from 4) to the hours in the longevity counter.~~

~~(f) If the total hours from 5) is less than 2080, the total is to be placed into the longevity counter. Employee will receive next longevity payment based on total service, when counter reaches 2080 (the next longevity payment may be due in less than a year).~~

~~(g) If the total hours from 5) is more than 2080, employee is due a longevity payment based on total service immediately.~~

~~— Payment shall be included in next pay voucher,~~

~~— Total hours from 5) shall be reduced by 2080 and remainder entered into longevity counter. Next payment is due when longevity counter reaches 2080 again.~~

~~j. Payment at death or retirement—An employee with 12,480 hours of currently continuous service, who separates by reason of death or retirement under the provisions of the State Retirement Act, shall qualify and receive a pro-rata terminal payment for the time worked from the date of the last payment to the date of separation (the number of hours in the longevity counter). The pro-rata payment is limited to the number of full-time equated bi-weekly pay periods completed (multiples of 80 hours).~~

~~(1) Supplemental payment—Since all hours are counted when longevity is paid on an anniversary date basis, supplemental payments are no longer necessary.~~

C.B. October 1 Longevity/~~December 1~~ Payment

1. Eligibility

- a. Career employees who separate from state service and return and complete six~~five~~ years (~~12,480~~10,400 hours) of full-time continuous service prior to October ~~first~~1 of any year shall have placed to their credit all previous state classified service earned.

- b. To be eligible for a full annual longevity payment after the initial payment, a career employee must have completed continuous full-time classified service equal to the service required for original eligibility, plus a minimum of one additional year (2,080 hours).
 - c. Career employees rendering seasonal, intermittent or other part-time classified service ~~shall~~will, after establishing original eligibility, be entitled to subsequent annual payments on a pro rata basis for the number of ~~full-time equated bi-weekly pay periods completed (multiples of 80 hours)~~hours in pay status during the longevity year.
2. Payments — Payment ~~shall~~will be made in accordance with the table of longevity values based on length of service ~~and the longevity pay grade assigned the employee's class as of October 1~~.
- a. No active employee ~~shall~~will receive more than the amount scheduled for one annual longevity payment during any twelve month period except in the event of retirement or death, or as provided in paragraph g of this sub-section.
 - b. Initial Payments—Employees qualify for their initial payment by completing an aggregate of six years (12,480 hours) of continuous service prior to October ~~first~~1. The initial payment ~~shall~~will always be a full payment (no proration).
 - c. Annual Payments
 - (1) Employees qualify for full annual payment by completing 2,080 hours of continuous service during the longevity year.
 - (2) Employees who are in pay status less than 2,080 hours shall receive a pro rata annual payment based on the number of ~~equivalent pay periods completed~~hours in pay status during the longevity year. ~~No pro rata payment shall be made for less than one bi-weekly work period (80 hours).~~
 - d. Payments to employees who become eligible on October ~~first~~1 of any year ~~shall~~will be made on the subsequent December first pay date following the first full pay period in October; except that pro rata payments in case of retirement or death shall be made as soon as practicable thereafter.
 - e. Lost Time Considerations

- (1) Lost time is not creditable continuous service nor does it count in qualifying for an initial or an annual payment.
 - (2) Employees do not earn state service credit in excess of 80 hours in a bi-weekly pay period. Paid overtime does not offset lost time, except where both occur in the same pay period.
- f. Payment to Employees on Leave of Absence Without Pay and Layoff on October 1.

~~(1) Employees qualifying for initial payment—If an employee completes six years of continuous service and goes on a leave of absence or is laid off before receiving the initial payment, the employee shall receive it upon return from leave or layoff.~~

~~(2) Employees qualifying for annual payment~~

~~(a)(1)~~ An employee on other than a waived rights leave of absence, who was in pay status less than 2,080 hours during the longevity year, will receive a pro rata annual payment based on the number of ~~equivalent pay periods completed~~ hours in pay status during the longevity year; such payment ~~will be made on December 1st along with payments to other continuing employees~~ shall be made on the pay date following the first full pay period in October.

~~(b)(2)~~ An employee on a waived rights leave of absence will receive a pro rata longevity payment upon returning from leave.

- g. ~~Payment on conversion from anniversary date system~~ Conversion Provisions – Effective with the pay period beginning August 20, 2000, the anniversary date longevity system will be discontinued. Payments for the conversion period will be as outlined below:

~~(1) If the employee has less than 12,480 hours of continuous service, no further action is necessary.~~

~~(2)(1)~~ If the employee has ~~over~~ more than 12,480 hours prior to October 1, 2000 and has received a longevity payment since the end of the last fiscal year, ~~employee is not eligible for payment next October~~ the employee shall receive a pro-rated payment in October, 2000 based on the number of hours in pay status between the longevity anniversary date and October 1, 2000.

~~(a) On October 1, employee's longevity counter must be set to zero (0) for the next year's payment.~~

~~(b) There is no partial payment for the year converted.~~

~~(c) Employee will appear on a list of eligibles received shortly after October 1. Employee must be manually deleted from the list.~~

~~(3)(2)~~ If the employee has overmore than 12,480 hours of continuous service prior to October 1, 2000 and has not received a longevity payment since the end of the last fiscal year September 30, 1999, the employee's longevity payment in October, 2000 will be calculated based on the number of hours in pay status between their last longevity anniversary date and October 1, 2000, as a percentage of 2,080 hours. If an employee is scheduled to receive an anniversary longevity payment on or after August 20, 2000 but before October 1, 2000, the employee's longevity payment in October, 2000 will include both the anniversary longevity payment amount and an additional amount based on the number of hours the employee has been in pay status between the longevity anniversary date and October 1, 2000.

~~(a) Calculate the number of hours that the employee has been in pay status since the beginning of the current longevity year and insert this into the longevity counter. Employee will receive the annual payment the following December 1.~~

~~(3)~~ Longevity Overtime – upon conversion, the regular rate add-on for longevity will be calculated and paid retroactively for overtime worked in the previous fiscal year. This amount will be included in the longevity payment. In 2000 only, the regular rate add-on for longevity will be calculated and paid retroactively for overtime worked on and between August 20, 2000 and September 30, 2000.

h. Payment at retirement or death — An employee with 12,480 hours of currently continuous service, who separates by reason of retirement or death shall qualify and receive both a terminal and a supplemental payment as follows: retires or dies shall receive a longevity payment. The payment amount will be pro rated based on hours in pay status since October 1 of the current fiscal year.

(1) A terminal payment, which shall be either:

(a) A full initial longevity payment based upon the total years of both current and prior service, if the employee has not yet received an initial longevity payment; or,

(b) A pro rata payment for time worked from the preceding October 1 to the date of separation, if previously qualified. The pro rata payment is ~~limited to the number of full-time equated bi-weekly pay periods completed (multiples of 80 hours)~~based on hours in pay status since October 1 of the current fiscal year.

(2) A supplemental payment for all time previously not counted in determining the amount of prior longevity payments. The supplemental payment is limited to the number of full-time equated bi-weekly pay periods completed (multiples of 80 hours).

~~(3) The amount of payment at retirement or death is determined as follows:~~

~~(a) Service bracket for all payments is determined by adding currently continuous and prior service and dividing by 2,080.~~

~~(b) Employee qualifying for initial payment (paragraph a, 1 above):~~

~~—A full payment; plus,~~

~~—A supplemental payment based upon the number of eighty hour units in excess of full year (2080) increments. This is the remainder in 1 above.~~

~~(c) Employee qualifying for annual payment (paragraph a, 2 above):~~

~~—A pro rata payment based upon the number of hours in the longevity counter; plus,~~

~~—A supplemental payment determined as follows:~~

~~—Subtract the hours in the current longevity counter from the hours in the total currently continuous and prior service counters.~~

~~—Divide answer in 1 by 2080. The remainder is the number of hours for which supplemental payment is due.~~

CONTACT

Questions regarding this regulation should be directed to the Department of Civil Service, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909, (517) 335-7862 or (517) 373-7618, or MDCS@state.mi.us.

NOTE: Regulations are issued by the State Personnel Director under authority granted in the State of Michigan Constitution and the Michigan Civil Service Commission Rules. Regulations that implement Commission Rules are subordinate to those Rules.